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**NTH POWER REPORTS ENERGY INDUSTRY VENTURE CAPITAL
INVESTMENT ROSE 165% IN 2000, EXCEEDING \$1 BILLION
*New Demands, Technologies & Deregulation Help Fuel Growth***

SAN FRANCISCO – April 30, 2001 – Nth Power., the pioneering venture capital (VC) firm that invests in energy-related start-up companies, today released its annual study of funding in the emerging energy technologies investment category.

Energy-related VC investment in 2000 topped \$1 billion, a new milestone for private investment in energy start-ups. The \$1.2 billion figure is up 165% from the 1999 total of \$442 million. Nth Power reported that energy-related funding was some 50 times larger last year than it was in 1993, when the firm first started tracking such activity in an investment arena that was not large enough, at the time, to be considered a separate VC category.

Nth Power monitors VC investment in six sub-sectors: distributed generation and storage, control technology, transmission systems technology, power quality, business services outsourcing, and "smart" efficiency devices. Nth Power believes venture capital trends in energy could track those set by venture investing in the telecommunications sector over the past three decades.

From 1990 to 1995, energy VC investment averaged approximately \$15.2 million. However, as energy deregulation began to gather momentum in the U.S. and around the world,

energy-related VC investments increased. Energy start-ups received \$98.2 million and \$145.3 million in 1996 and 1997, respectively. In 1998, the figure rose 48% to \$204 million. In 1999, investment in energy-related start-ups grew by 116% to \$442.2 million and rose more sharply last year to surpass \$1 billion.

Nancy C. Floyd, an Nth Power managing director who co-founded the San Francisco-based firm with Maurice Gunderson, said: "The growing availability of energy venture capital reflects heightened interest in this sector and the overall rise in VC spending. Of equal importance, investment in energy is being driven by the growing availability of talented, entrepreneurial managers from other competitive industries. Despite the problems in California, we see strong demand in the U.S. and around the world for improved energy services and power solutions. New, well-conceived energy-related ventures should be able to attract needed capital in the months and years ahead."

Mr. Gunderson, also an Nth Power managing director, added: "The market opportunity is significant, and U.S.-based companies are responding with large numbers of innovative products and service solutions that will ultimately transform the power and energy industry. We see exciting and practical work being done in three general areas – megawatts, *negawatts*, and software. For example, in power generation, Nth Power funds microturbines, and zinc-air and hydrogen fuel cell companies to meet specific distributed generation and power storage applications."

"In *negawatts*, a term coined by energy-technologist Amory Lovins," Mr. Gunderson noted, "Nth Power funds companies offering industry and consumers the opportunity to measure and manage the energy use of devices such as air conditioning units and residential water systems – an often-unnoticed large user of power."

Mr. Gunderson pointed out that Nth's investments in software include "a company offering a more cost-effective method for trading highly complex, structured wholesale power to better meet peak loads and seasonal demand."

Concluding his remarks, Mr. Gunderson said: “The world at large has never been hungrier for electric power, even if you look only at demand from the two thirds of the world’s population that already has electricity. The problems – in California or anywhere else – of delivering enough power in the right quality to the right consumer cannot be fixed with a silver bullet or two. And that is where energy VC comes in. We believe what is needed is a variety of solutions, addressing defined opportunities for more power and more efficiency”

About Nth Power: Nth Power is a leading venture capital firm focused on the high-growth investment opportunities arising from the restructuring of the \$900 billion global energy utility marketplace. Nth Power has over \$190 million under management in two funds, with investments in distributed generation and storage, communications and control technology, transmission system automation, outsourcing services, power quality and efficiency devices. Nth Power's Limited Partners include many of the world's leading electric and gas utilities.

Energy Technology Venture Capital Disbursements, 1990-2000
with Year-to-Year Growth Rate
(U.S. \$000s)

